

SENATE BILL 75

C4

6lr0093

(PRE-FILED)

By: **Chair, Finance Committee (By Request – Departmental – Maryland Insurance Administration)**

Requested: September 29, 2015

Introduced and read first time: January 13, 2016

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Public Adjusters – Licensing**

3 FOR the purpose of repealing certain employment requirements for certain public
4 adjusters; providing for certain initial licensing fees for public adjusters; authorizing
5 renewal notification by e-mail for certain public adjuster licenses; altering the
6 renewal date of certain public adjuster licenses; establishing certain continuing
7 education requirements for renewal of certain public adjuster licenses; authorizing
8 the Maryland Insurance Commissioner to waive continuing education requirements
9 under certain circumstances; providing for the satisfaction of certain continuing
10 education requirements by nonresident license holders under certain circumstances;
11 providing for submission by electronic application for renewal of certain public
12 adjuster licenses; authorizing the Commissioner to adopt certain regulations;
13 establishing reinstatement requirements for certain public adjusters; providing for
14 a delayed effective date; and generally relating to licensing of public adjusters.

15 BY repealing and reenacting, with amendments,
16 Article – Insurance
17 Section 10-404, 10-408, and 10-408.1
18 Annotated Code of Maryland
19 (2011 Replacement Volume and 2015 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 That the Laws of Maryland read as follows:

22 **Article – Insurance**

23 10-404.

24 (a) To qualify for a license, an applicant must be:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) an individual who meets the requirements of subsection (b) of this
2 section; or

3 (2) a business entity that meets the requirements of subsection (c) of this
4 section.

5 (b) (1) An individual applicant must be trustworthy and competent to transact
6 business as a public adjuster so as to safeguard the interests of the public.

7 (2) [An individual applicant must have been employed regularly by the
8 Administration as an employee or by an insurer, adjuster, insurance producer or public
9 adjuster for a period totaling at least 1 year:

10 (i) during the 5 years immediately preceding the date of application;
11 or

12 (ii) for a member of the U.S. armed forces, during the 5 years
13 immediately:

14 1. preceding the date of entrance into the armed forces; or

15 2. after discharge.

16 (3) Except as otherwise provided in this subsection, an individual applicant
17 shall:

18 (i) pass a written examination given by the Commissioner under
19 this subtitle in order to determine the competency of the applicant to act as a public
20 adjuster; AND

21 (ii) pay the [application] LICENSE fee required by § 2-112 of this
22 article[; and

23 (iii) after receiving notification that the applicant has passed the
24 examination or is otherwise eligible to be licensed, pay the applicable license fee required
25 by § 2-112 of this article].

26 [(4) (3) The examination requirement of paragraph [(3) (2) of this
27 subsection does not apply to an individual who was licensed as a public adjuster in the
28 State on June 30, 1985.

29 [(5) (4) An individual applicant who fails an examination may not take
30 another examination until at least 14 days after the date of the last examination that the
31 applicant failed.

1 (c) A business entity applicant must:

2 (1) be trustworthy and competent to transact business as a public adjuster
3 so as to safeguard the interests of the public;

4 (2) employ one or more individual licensed public adjusters; and

5 (3) pay the applicable license fee required by § 2-112 of this article.

6 10-408.

7 (a) A license expires [at the end of every other June 30 unless it is renewed for a
8 2-year term as provided in this section] **EVERY OTHER YEAR ON THE DATE STATED ON**
9 **THE LICENSE UNLESS RENEWED AS PROVIDED IN THIS SECTION.**

10 (b) At least 1 month before a license expires, the Commissioner shall [mail] **SEND**
11 to the holder of the license, at the last known address **OR E-MAIL ADDRESS** of the holder
12 **ON RECORD**[:

13 (1) a renewal application form; and

14 (2)] a notice that states:

15 **(1) THE PROCESS FOR RENEWING THE LICENSE;**

16 **[(i)] (2)** the date by which the Commissioner must receive the
17 renewal application for the renewal to be issued and mailed before the license expires; and

18 **[(ii)] (3)** the amount of the renewal fee.

19 (c) Before a license expires, the holder of the license may renew it for an
20 additional 2-year term, if the holder:

21 (1) otherwise is entitled to a license;

22 (2) files with the Commissioner a renewal application [on the form that the
23 Commissioner provides]:

24 **(I) ON THE FORM THAT THE COMMISSIONER PROVIDES; OR**

25 **(II) IN AN ELECTRONIC FORMAT THAT THE COMMISSIONER**
26 **APPROVES;**

27 **(3) COMPLETES THE CONTINUING EDUCATION REQUIREMENTS**
28 **UNDER SUBSECTION (E) OF THIS SECTION; and**

1 ~~[(3)]~~ (4) pays to the Commissioner the renewal fee required by § 2-112 of
2 this article.

3 (D) A LICENSE RENEWED UNDER THIS SECTION FOR AN INDIVIDUAL SHALL
4 HAVE AN EXPIRATION DATE THAT IS THE LAST DAY OF THE MONTH IN WHICH THE
5 LICENSE HOLDER WAS BORN.

6 (E) (1) THE COMMISSIONER SHALL REQUIRE A PUBLIC ADJUSTER WHO
7 IS NOT A BUSINESS ENTITY TO RECEIVE CONTINUING EDUCATION AS A CONDITION
8 OF RENEWING A LICENSE OF THE PUBLIC ADJUSTER.

9 (2) THE PUBLIC ADJUSTER SHALL SUCCESSFULLY COMPLETE 24
10 CREDIT HOURS OF APPROVED CONTINUING EDUCATION FOR EACH 2-YEAR LICENSE
11 PERIOD AS A CONDITION FOR LICENSE RENEWAL UNLESS THE COMMISSIONER
12 MODIFIES THE REQUIREMENT BY REGULATION.

13 (3) OF THE REQUIRED HOURS OF CONTINUING EDUCATION
14 REQUIRED FOR A RENEWAL PERIOD UNDER PARAGRAPH (2) OF THIS SUBSECTION,
15 AT LEAST 3 HOURS SHALL RELATE DIRECTLY TO ETHICS.

16 (4) THE COMMISSIONER MAY GRANT A WAIVER TO A PUBLIC
17 ADJUSTER WHO HAS REQUESTED A WAIVER FOR REASONS THAT THE
18 COMMISSIONER DETERMINES WARRANT THE WAIVER.

19 (5) THIS SUBSECTION MAY NOT APPLY TO A HOLDER OF A LICENSE
20 WHO HAS NOT BEEN LICENSED FOR 1 FULL YEAR BEFORE THE END OF THE
21 APPLICABLE CONTINUING EDUCATION PERIOD.

22 (F) A NONRESIDENT LICENSE HOLDER SHALL BE DEEMED TO HAVE MET
23 THE CONTINUING EDUCATION REQUIREMENTS OF THIS SECTION IF:

24 (1) THE NONRESIDENT LICENSE HOLDER SATISFIES THE CONTINUING
25 EDUCATION REQUIREMENTS OF THE HOME STATE OF THE NONRESIDENT LICENSE
26 HOLDER; AND

27 (2) THE HOME STATE OF THE NONRESIDENT LICENSE HOLDER
28 ALLOWS A PUBLIC ADJUSTER WHO IS A RESIDENT OF THIS STATE TO SATISFY THE
29 CONTINUING EDUCATION REQUIREMENTS OF THE HOME STATE ON THE SAME BASIS
30 BY MEETING THE CONTINUING EDUCATION REQUIREMENTS OF THIS STATE.

1 ~~[(d)]~~ **(G)** **(1)** ~~[An] IF MAILED, AN~~ application for renewal of a license shall be
2 considered made in a timely manner if it is postmarked on or before ~~[June 30 of the year of~~
3 ~~renewal]~~ **THE EXPIRATION DATE OF THE LICENSE.**

4 **(2)** **IF SUBMITTED ELECTRONICALLY, AN APPLICATION FOR**
5 **RENEWAL SHALL BE CONSIDERED MADE IN A TIMELY MANNER IF, ON OR BEFORE**
6 **THE EXPIRATION DATE OF THE LICENSE, THE APPLICATION:**

7 **(I)** **IS ADDRESSED PROPERLY OR OTHERWISE DIRECTED**
8 **PROPERLY TO AN INFORMATION PROCESSING SYSTEM THAT THE ADMINISTRATION**
9 **HAS DESIGNATED OR USES FOR THE PURPOSE OF RECEIVING ELECTRONIC**
10 **APPLICATIONS AND FROM WHICH THE ADMINISTRATION IS ABLE TO RETRIEVE THE**
11 **APPLICATION;**

12 **(II)** **IS IN A FORM CAPABLE OF BEING PROCESSED BY THAT**
13 **SYSTEM; AND**

14 **(III)** 1. **ENTERS AN INFORMATION PROCESSING SYSTEM**
15 **OUTSIDE THE CONTROL OF THE SENDER OR OF A PERSON THAT SENT THE**
16 **ELECTRONIC APPLICATION ON BEHALF OF THE SENDER; OR**

17 2. **ENTERS A REGION OF THE INFORMATION**
18 **PROCESSING SYSTEM DESIGNATED OR USED BY THE ADMINISTRATION THAT IS**
19 **UNDER THE CONTROL OF THE ADMINISTRATION OR AN AGENT OF THE**
20 **ADMINISTRATION.**

21 ~~[(e)]~~ **(H)** **(1)** The Commissioner shall renew the license of each holder who
22 meets the requirements of this section.

23 **(2)** If the holder of a license files an application for renewal before the
24 license expires, the license shall remain in effect until:

25 **(i)** the Commissioner issues a renewal license; or

26 **(ii)** 5 days after the Commissioner refuses in writing to renew the
27 license and serves notice of the refusal on the holder.

28 **(I)** **THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS**
29 **SECTION.**

30 10-408.1.

31 **(a)** For up to 1 year after the expiration date, a person whose public adjuster's
32 license has expired may reinstate the expired license by:

1 (1) filing with the Commissioner the appropriate reinstatement
2 application; [and]

3 (2) paying to the Commissioner the applicable reinstatement fee required
4 under subsection (b) of this section; AND

5 **(3) SUBMITTING PROOF OF COMPLETION OF THE CONTINUING**
6 **EDUCATION REQUIREMENTS IN § 10-408 OF THIS SUBTITLE.**

7 (b) (1) The fee for a reinstatement under this section shall be:

8 (i) the amount charged for a full renewal period for the type of
9 license held by the person seeking the reinstatement; and

10 (ii) a reinstatement fee of \$100.

11 (2) The Commissioner may limit the reinstatement fee to the amount of the
12 renewal fee in cases where the reinstatement applicant did not make timely renewal
13 because of military service, temporary incapacity, hospitalization, or other hardship.

14 (c) A person whose public adjuster's license has expired is prohibited from acting
15 as a public adjuster until the effective date of reinstatement of the license.

16 (d) (1) If a person applies for reinstatement of an expired license within 60
17 days after the license expired, the Commissioner shall reinstate the license retroactively,
18 with the reinstatement effective on the date that the person's license expired.

19 (2) If a person applies for reinstatement of an expired license more than 60
20 days after the license expired, the Commissioner shall reinstate the person's license
21 prospectively, with the reinstatement effective on the date that the license is reinstated.

22 (e) A person who does not comply with subsection (a) of this section on or before
23 1 year after the expiration date shall apply for a license under § 10-405 of this subtitle and
24 meet the requirements specified by the Commissioner in regulation.

25 (f) The Commissioner may adopt regulations to carry out this section.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 January 1, 2017.